

## CHAPTER 2

# Using the Federal Acquisition Regulation System

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### **This Chapter**

- C Explains the Federal Acquisition Regulation (FAR) System and the Agriculture Acquisition Regulation (AGAR) System, their authority and purpose and order of precedence for their application
- C Explains the structure and format of the FAR and the AGAR and shows how to use the number system both in locating and in citing FAR and AGAR subject matter
- C Although not part of the FAR system, it discusses the ARS Issuances system and explains its application

### **Cross-References**

- C None.

## **THE FEDERAL ACQUISITION REGULATION (FAR)**

### **Purpose**

The FAR System is established for the codification and publication of uniform policies and procedures for acquisition by all executive agencies. The FAR System consists of the FAR, which is the primary document, and includes the AGAR which implements and supplements the FAR. The FAR System does not include internal agency guidance such as the type provided by ARS Issuances or this Field Acquisition Manual.

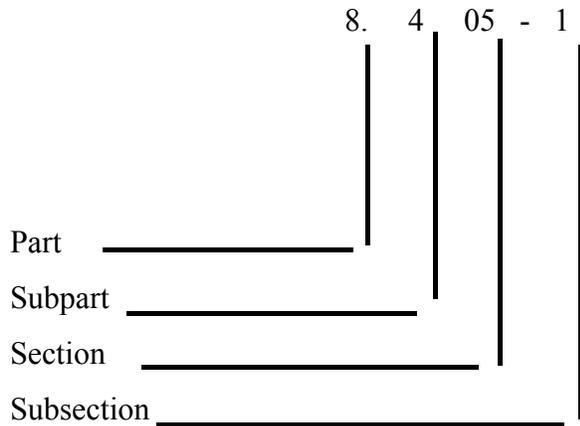
## **FINDING AND CITING FAR AND AGAR SUBJECT MATTER**

### **Structure and Format of the FAR**

The FAR is divided into subchapters, parts, subparts, sections, and subsections. Exhibit 2(i) depicts the FAR general structure. There are 8 subchapters (A through H) broken down into 53 individual parts. The subchapters generally follow the steps in the acquisition cycle. However, subchapters are not normally referred to in everyday use. Rather, reference is normally made to an individual "Part" (such as Part 13, Simplified Acquisition Procedures) and "Subparts" (such as Subpart 13.5, Purchase Orders). As an example, Exhibit 2(ii) depicts the structure of the FAR to the subpart level for Subchapter C, Contracting Methods and Contract Types. Exhibit 2(iii) depicts Part 13, Simplified Acquisition Procedures broken down into subparts, sections, and subsections.

### **Subject Matter Numbering System**

The numbering system permits the discrete identification of every FAR paragraph. The digits to the left of the decimal point represent the part number. The numbers to the right of the decimal point and to the left of the dash represent, in order, the subpart (one or two digits), and the section (two digits). The number to the right of the dash represents the subsection. Subdivisions may be used at the section and subsection level to identify individual paragraphs. The following example illustrates the make-up of a FAR number citation (note that subchapters are not used with citations):



Subdivisions below the section or subsection level consist of parenthetical alphanumeric reading from highest to lowest indenture as follows: lower case alphabet, Arabic numbers, lower case Roman numerals, and upper case alphabet. The following example is illustrative:

(a)(1)(i)(A)

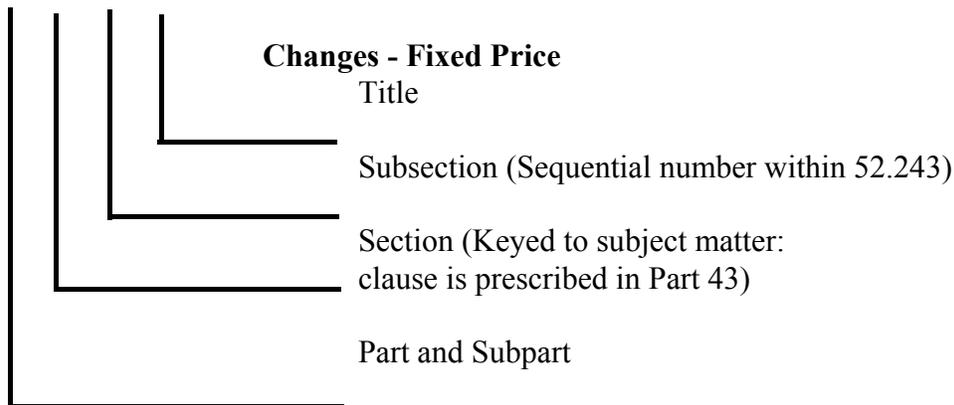
Subdivisions, below the 4th level, repeat the sequence.

**Provision and Clause Numbering System and Unique Identification**

- C FAR provisions and clauses begin with 52.2.
- C Next two digits correspond to the FAR Part where coverage is prescribed.
- C Subsequent numbers follow a hyphen (-) and are sequential.

-- Example:

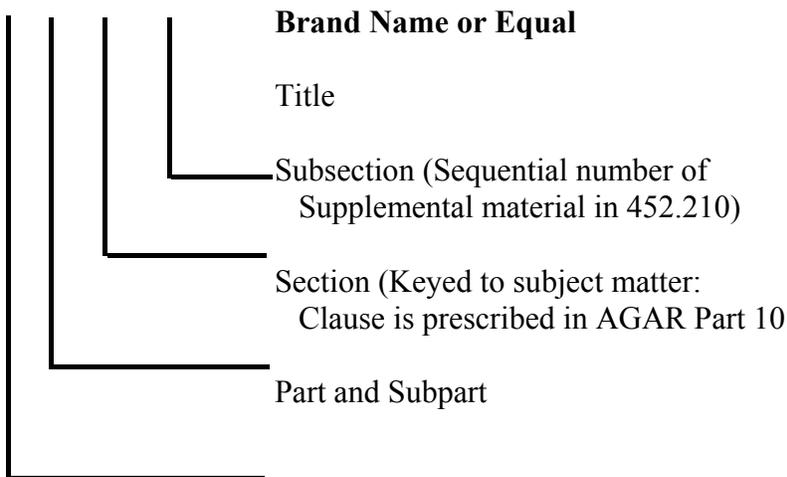
52.2 43 - 1



C USDA supplementing provisions or clauses.

- Prescribed and included in the AGAR to satisfy the specific needs of USDA as a whole.
- Numbering the same as for FAR clauses except that where it is published in the Federal Register and codified in Title 48, the number is preceded by USDA's chapter number, i.e., 4.
- Sequential numbers will be -70, -71, etc.;
- Example:

452.2 10 - 70



## FINDING OUT HOW AND WHEN TO INCORPORATE PROVISIONS AND CLAUSES

### Prescriptions

Each provision or clause in FAR Subpart 52.2/AGAR Subpart 452.2 is prescribed at that place in the FAR/AGAR text where the subject matter of the provision or clause receives its primary treatment. For example, FAR 13.302-5(c), Clauses, provides the prescription for use of the Notice to Suppliers, i.e.:

"(c) The CO shall insert the Clause at 52.213-3, Notice to Supplier, in unpriced purchase orders."

### Prefaces

Within FAR 52.2/AGAR 452.2 each provision or clause is prefaced with a cross-reference to the location in the FAR/AGAR subject text that prescribes its use.

### FAR Matrix

FAR 52.3 provides a matrix of solicitation provisions and contract clauses for various types and purposes of contracts including simplified acquisition procedures (See Section 8B). The matrix lists:

- C Required solicitation provisions
- C Required-when-applicable solicitation provisions
- C Optional solicitation provisions
- C Required contract clauses
- C Required-when-applicable contract clauses
- C Optional contract clauses

The matrix provides guidelines for incorporating solicitation provisions and clauses as follows:

- C Whether full text or by reference is permitted
- C The section of the Uniform Contract Format (UCF) in which it is to be located (when use of the UCF is required)
- C Number of provision or clause
- C Citation of the FAR text that prescribes its use
- C Title

### Incorporating Provisions and Clauses Incorporation by Reference

In accordance with FAR 52.102, provisions and clauses may be incorporated by reference when prescribed by the FAR or the AGAR.

### **Incorporation in Full Text**

In accordance with FAR 52.102, circumstances under which provisions and clauses shall be incorporated in full text include:

- C If the provision or clause requires completion by the offeror/bidder.
- C If the FAR provision or clause that will be used incorporates an authorized deviation.
- C If the FAR provision or clause is not authorized to be incorporated by reference.
- C If it is a special provision or clause prepared on a "substantially as follows" or "substantially the same as" basis.

### **Identification of Provisions and Clauses**

FAR/AGAR provisions or clauses incorporated by reference or in full text must be identified by number, title, and date. For example:

52.232-1 Payments (APR 1984)

Where clause is used with an authorized deviation:

52.232-1 Payments (APR 1984) (Deviation)

Note: As new provisions and clauses are added or as existing ones are changed, the effective date will also change.

### **Modifying Provisions and Clauses**

Provisions and clauses cannot be modified unless the FAR authorizes their modification. This authorization is contained in the prescription preceding the provision or clause.

### **Alterations in Provisions and Clauses**

Major variations are accommodated by use of an alternate.

Alternates to given provisions or clauses are prescribed in the FAR where the basic provision or clause itself is prescribed.

52.243-1 Changes Fixed Price (AUG 1987)  
52.243-1 Changes Fixed Price (AUG 1987)  
ALTERNATE I (APR 1984)

## **FORMS**

Standard forms, optional forms, and agency-prescribed forms are described and illustrated in FAR Part 53/AGAR Part 453. Agencies must use the standard form prescribed in the FAR unless an exception is received in advance. (See AGAR Part 413.) Agencies may not alter a standard form although overprinting is permitted without a need for exception approval. As with provisions and clauses, citations to Standard and Optional Forms are identified in FAR-related subject matter, i.e., FAR 53.213 relates to forms used in small purchase transactions.

## **THE AGRICULTURE ACQUISITION REGULATION SYSTEM**

The Department of Agriculture Acquisition Regulation (AGAR), Chapter 4, Title 48 of the Code of Federal Regulations (CFR), is an integral part of the FAR System and implements or supplements the FAR. Thus, in day-to-day use Purchasing Agents must always consult both the FAR and the AGAR and, in all cases, remember that the FAR is the primary and controlling source of policy and procedures.

## **PURPOSE AND APPLICABILITY**

### **Purpose**

The AGAR is issued in the CFR as Chapter 4 of Title 48, Federal Acquisition Regulations System. The AGAR provides for the codification and publication of uniform policies and procedures for acquisitions by contracting activities within the Department of Agriculture.

The purpose of the AGAR is to implement the FAR, where further implementation is needed, and to supplement the FAR when coverage is needed for subject matter not covered in the FAR. The AGAR is not by itself a complete document, as it must be used in conjunction with the FAR.

### **Applicability**

The FAR and AGAR apply to all Department of Agriculture (USDA) acquisitions of supplies and services (including construction) which obligate appropriated funds, unless otherwise specified in the regulation or excepted by law. For acquisitions using nonappropriated funds, the FAR and AGAR are to be used as guides to the maximum extent feasible and consistent with efficient program operations.

### **Arrangement and Numbering of Regulations**

The AGAR is divided into the same subchapters, parts, subparts, sections, and subsections as the FAR. However, when the FAR coverage is adequate by itself, there will be no AGAR counterpart. AGAR coverage parallels the FAR in format, arrangement, and numbering system.

## **AUTHORITY TO DEVIATE FROM FAR OR AGAR**

Requests for authority to deviate from the provisions of the FAR or the AGAR must be submitted in writing to the HCAD as far in advance as the exigencies of the situation will permit (Purchasing Agents should contact the cognizant PAO for advice). Each request for deviation must contain the following:

- (a) A statement of the deviation desired, including identification of the specific paragraph number(s) of the FAR or AGAR;
- (b) The reason why the deviation is considered necessary or would be in the best interest of the government;
- (c) If applicable, the name of the contractor and identification of the contract affected;
- (d) A statement as to whether the deviation has been requested previously and, if so, circumstances of the previous request;
- (e) A description of the intended effect of the deviation;
- (f) A statement of the period of time for which the deviation is needed; and
- (g) Any pertinent background information which will contribute to a full understanding of the desired deviation.

## **THE AGRICULTURE RESEARCH SERVICE ISSUANCES SYSTEM**

### **Introduction**

In addition to the FAR and AGAR, ARS Purchasing Agents must also comply with the policies and procedures in PPD Issuances (Directives, Policies and Procedures (P&Ps) and Bulletins) and PPD Policy Memorandums issued in accordance with the ARS Issuances System. These Issuances cover a wide variety of subject matter relating to internal operations of the ARS such as, for example, P&P 212.16 which deals with ratifying actions within REE. Throughout this Manual various ARS Issuances are cited or referred to when applicable.

**Exhibit 2(i)**  
**Federal Acquisition Regulation**  
**General Structure**

**FEDERAL ACQUISITION REGULATION**  
**GENERAL STRUCTURE**

SUBCHAPTER A	-	GENERAL
Part 1	-	Federal Acquisition Regulations System
Part 2	-	Definitions of Words and Terms
Part 3	-	Improper Business Practices and Personal Conflicts of Interest
Part 4	-	Administrative Matters
SUBCHAPTER B	-	COMPETITION AND ACQUISITION PLANNING
Part 5	-	Publicizing Contract Actions
Part 6	-	Competition Requirements
Part 7	-	Acquisition Planning
Part 8	-	Required Sources of Supplies and Services
Part 9	-	Contractor Qualifications
Part 10	-	Market Research
Part 11	-	Describing Agency Needs
Part 12	-	Acquisition of Commercial Items
SUBCHAPTER C	-	CONTRACTING METHODS AND CONTRACT TYPES
Part 13	-	Simplified Acquisition Procedures
Part 14	-	Sealed Bidding
Part 15	-	Contracting by Negotiation
Part 16	-	Types of Contracts
Part 17	-	Special Contracting Methods
Part 18	-	[Reserved]
SUBCHAPTER D	-	SOCIOECONOMIC PROGRAMS
Part 19	-	Small Business Programs
Part 20	-	[Reserved]
Part 21	-	[Reserved]
Part 22	-	Application of Labor Laws to Government Acquisitions
Part 23	-	Environment, Conservation, Occupational Safety, and Drug-Free Workplace
Part 24	-	Protection of Privacy and Freedom of Information
Part 25	-	Foreign Acquisition
Part 26	-	Other Socioeconomic Programs
SUBCHAPTER E	-	GENERAL CONTRACTING REQUIREMENTS
Part 27	-	Patents, Data, and Copyrights
Part 28	-	Bonds and Insurance

## ARS Field Acquisition Manual

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### FEDERAL ACQUISITION REGULATION (FAR)

- Part 29 - Taxes
- Part 30 - Cost Accounting Standards Administration
- Part 31 - Contract Cost Principles and Procedures
- Part 32 - Contract Financing
- Part 33 - Protests, Disputes, and Appeals

### SUBCHAPTER F SPECIAL CATEGORIES OF CONTRACTING

- Part 34 - Major System Acquisition
- Part 35 - Research and Development Contracting
- Part 36 - Construction and Architect-Engineer Contracts
- Part 37 - Service Contracting
- Part 38 - Federal Supply Schedule Contracting
- Part 39 - Acquisition of Information Technology
- Part 40 - [Reserved]
- Part 41 - Acquisition of Utility Services

### SUBCHAPTER G CONTRACT MANAGEMENT

- Part 42 - Contract Administration and Audit Services
- Part 43 - Contract Modifications
- Part 44 - Subcontracting Policies and Procedures
- Part 45 - Government Property
- Part 46 - Quality Assurance
- Part 47 - Transportation
- Part 48 - Value Engineering
- Part 49 - Termination of Contract
- Part 50 - Extraordinary Contractual Actions
- Part 51 - Use of Government Sources by Contractors

### SUBCHAPTER H CLAUSES AND FORMS

- Part 52 - Solicitation Provisions and Contract Clauses
- Part 53 - Forms

### APPENDIX TO THE FAR

**Exhibit 2(ii)**

**Structure of the FAR to the Subpart Level for Subchapter A through C**

**SUBCHAPTER A-GENERAL**

**PART 1-FEDERAL ACQUISITION REGULATIONS SYSTEM**

- 1.1 Purpose, Authority, Issuance
- 1.2 Administration
- 1.3 Agency Acquisition Regulations
- 1.4 Deviations from the FAR
- 1.5 Agency and Public Participation
- 1.6 Career Development, Contracting Authority, and Responsibilities
- 1.7 Determinations and Findings

**PART 2-DEFINITIONS OF WORDS AND TERMS**

- 2.1 Definitions
- 2.2 Contract Clause

**PART 3-IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**

- 3.1 Safeguards
- 3.2 Contractor Gratuities to Government Personnel
- 3.3 Reports of Suspected Antitrust Violations
- 3.4 Contingent Fees
- 3.5 Other Improper Business Practices
- 3.6 Contracts with Government Employees or Organizations Owned or Controlled by Them
- 3.7 Voiding and Rescinding Contracts
- 3.8 Limitations on the Payment of Funds to Influence Federal Transactions
- 3.9 Whistleblower Protections for Contractor Employees

**PART 4-ADMINISTRATIVE MATTERS**

- 4.1 Contract Execution
- 4.2 Contract Distribution
- 4.3 Paper Documents
- 4.4 Safeguarding Classified Information Within Industry
- 4.5 Electronic Commerce in Contracting
- 4.6 Contract Reporting
- 4.7 Contractor Records Retention
- 4.8 Government Contract Files
- 4.9 Taxpayer Identification Number Information
- 4.10 Contract Line Items

**SUBCHAPTER B-COMPETITION AND ACQUISITION PLANNING**

**PART 5-PUBLICIZING CONTRACT ACTIONS**

- 5.1 Dissemination of Information
- 5.2 Synopses of Proposed Contract Actions
- 5.3 Synopses of Contract Awards
- 5.4 Release of Information
- 5.5 Paid Advertisements

**PART 6-COMPETITION REQUIREMENTS**

- 6.1 Full and Open Competition
- 6.2 Full and Open Competition after Exclusion of Sources
- 6.3 Other than Full and Open Competition
- 6.4 Sealed Bidding and Competitive Proposals
- 6.5 Competition Advocates

**PART 7-ACQUISITION PLANNING**

- 7.1 Acquisition Plans

FEDERAL ACQUISITION REGULATION (FAR)

- 7.2 Planning for the Purchase of Supplies in Economic Quantities
- 7.3 Contractor Versus Government Performance
- 7.4 Equipment Lease or Purchase
- 7.5 Inherently Governmental Functions
- PART 8-REQUIRED SOURCES OF SUPPLIES AND SERVICES**
- 8.1 Excess Personal Property
- 8.2 [Reserved]
- 8.3 [Reserved]
- 8.4 Federal Supply Schedules
- 8.5 Acquisition of Helium
- 8.6 Acquisition from Federal Prison Industries, Inc.
- 8.7 Acquisition from Nonprofit Agencies Employing People Who are Blind or Severely Disabled
- 8.8 Acquisition of Printing and Related Supplies
- 8.9 [Reserved]
- 8.10 [Reserved]
- 8.11 Leasing of Motor Vehicles
- PART 9-CONTRACTOR QUALIFICATIONS**
- 9.1 Responsible Prospective Contractors
- 9.2 Qualifications Requirements
- 9.3 First Article Testing and Approval
- 9.4 Debarment, Suspension, and Ineligibility
- 9.5 Organizational and Consultant Conflicts of Interest
- 9.6 Contractor Team Arrangements
- 9.7 Defense Production Pools and Research and Development Pools
- PART 10-MARKET RESEARCH**
- PART 11-DESCRIBING AGENCY NEEDS**
- 11.1 Selecting and Developing Requirements Documents
- 11.2 Using and Maintaining Requirements Documents
- 11.3 Acceptable Material
- 11.4 Delivery or Performance Schedules
- 11.5 Liquidated Damages
- 11.6 Priorities and Allocations
- 11.7 Variation in Quantity
- 11.8 Testing
- PART 12-ACQUISITION OF COMMERCIAL ITEMS**
- 12.1 Acquisition of Commercial Items-General
- 12.2 Special Requirements for the Acquisition of Commercial Items
- 12.3 Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items
- 12.4 Unique Requirements Regarding Terms and Conditions for Commercial Items
- 12.5 Applicability of Certain Laws to the Acquisition of Commercial Items
- 12.6 Streamlined Procedures for Evaluation and Solicitations for Commercial Items
- SUBCHAPTER C-CONTRACTING METHODS AND CONTRACT TYPES**
- PART 13-SIMPLIFIED ACQUISITION PROCEDURES**
- 13.1 Procedures
- 13.2 Actions at or Below the Micro-Purchase Threshold
- 13.3 Simplified Acquisition Methods
- 13.4 Fast Payment Procedure
- 13.5 Test Program for Certain Commercial Items

**PART 14-SEALED BIDDING**

- 14.1 Use of Sealed Bidding
- 14.2 Solicitation of Bids
- 14.3 Submission of Bids

**PART 13--SIMPLIFIED ACQUISITION PROCEDURES**

- |        |  |          |  |
|--------|--|----------|--|
| Sec.   |  | 13.303-6 | Review procedures.                       |
| 13.000 | Scope of part.   | 13.303-7 | Completion of BPAs.                      |
| 13.001 | Definitions.   | 13.303-8 | Optional clause.                         |
| 13.002 | Purpose.   | 13.304   | [Reserved]                               |
| 13.003 | Policy.  | 13.305   | Imprest funds and third party drafts.    |
| 13.004 | Legal effect of quotations.  | 13.305-1 | General.                                 |
| 13.005 | Federal Acquisition Streamlining Act of 1994 list inapplicable laws. | 13.305-2 | Agency responsibilities.                 |
| 13.006 | Inapplicable provisions and clauses.                                 | 13.305-3 | Conditions for use.                      |
|        |  | 13.305-4 | Procedures.                              |
|        |  | 13.306   | SF 44, Purchase Order--Invoice--Voucher. |
|        |  | 13.307   | Forms.                                   |

**Subpart 13.1--Procedures**

- 13.101 General.
- 13.102 Source list.
- 13.103 Use of standing price quotations.
- 13.104 Promoting competition.
- 13.105 Synopsis and posting requirements.
- 13.106 Soliciting competition, evaluation of quotations or offers, award and documentation.
- 13.106-1 Soliciting competition.
- 13.106-2 Evaluation of quotations of offers.
- 13.106-3 Award and documentation.

**Subpart 13.4--Fast Payment Procedure**

- 13.401 General.
- 13.402 Conditions for use.
- 13.403 Preparation and execution of orders.
- 13.404 Contract Clause.

**Subpart 13.2--Actions At or Below the Micro-Purchase Threshold**

- 13.201 General.
- 13.202 Purchase guidelines.

**Subpart 13.5--Test Program for Certain Commercial Items**

- 13.500 General
- 13.501 Special documentation requirements.

**Subpart 13.3--Simplified Acquisition Methods**

- 13.301 Governmentwide commercial purchase card.
- 13.302 Purchase orders.
- 13.302-1 General.
- 13.302-2 Unpriced purchase orders.
- 13.302-3 Obtaining contractor acceptance and modifying purchase orders.
- 13.302-4 Termination or cancellation of purchase orders.
- 13.302-5 Clauses.
- 13.303 Blanket Purchase Agreements (BPAs).
- 13.303-1 General.
- 13.303-2 Establishment of BPAs.
- 13.303-3 Preparation of BPAs.
- 13.303-4 Clauses.
- 13.303-5 Purchases under BPAs.